DFDS' Annual General Meeting, Copenhagen, 4 June 2020

Dear shareholders

As the Chair of DFDS ' Board of Directors, I would like to welcome you to the Annual General Meeting, including everyone who is following the Annual General Meeting on the internet. Earlier this year we postponed the meeting in the hope of being able to hold a more normal, physical AGM. Two months later on 13 May we decided to convene the AGM in spite of the restrictions as it did not serve a purpose to wait any longer. Unfortunately, due to Covid-19, there is still a ban on large gatherings. As a result, this year we have arranged a webcast of the AGM, so it can be followed directly.

Due to these circumstances, no questions can be asked or votes taken directly. On the other hand, it has been possible to submit questions and votes by post in advance of the AGM.

Here at DFDS' headquarters, we are a group of fewer than ten people, as we have advised shareholders not to attend the AGM in person, in line with the regulations about gatherings of more than ten people. Present today on the panel are, in addition to myself, Torben Carlsen, President & CEO of DFDS, and Finn Møller. We hope and expect that the AGM next year can be held as a gathering with the usual good dialogue between shareholders and management.

Before the formal meeting starts, I would like to use this opportunity to send a warm thanks to management and all employees and colleagues in the entire DFDS, from the Baltics to UK, from the Mediterranean to high north. Everybody has contributed and put in an extraordinary effort, be that related to changes in manning plans, longer working time oboard, working from home or for some an uncertain furloughing.

I am impressed by the resilience and professional approach everybody has demonstrated in this special situation. And I am grateful for the engagement and the extra will and spirit that has been shown.

This concerns the handling of the crisis itself, precautions to prevent contagion and operational measures. It also concerns the commercial impacts and changes that Covid-19 has induced.

To management and all in DFDS: Thank you, you have done a great job!

Regardless of Covid-19, we need to appoint a chair for the AGM. The Board nominates Finn Møller, a partner in the legal company Gorrissen Federspiel, to chair the meeting today.

Presentation by the Chair of the Board

Dear shareholders

The Board's annual report for 2019 is being presented by me, as Chair, and Torben Carlsen as President and CEO of DFDS.

Introduction

Since March, Covid-19 has turned life upside down in Europe, where DFDS' ferry routes and logistics comprise a major part of the transport infrastructure. Market conditions that we took for granted just a few months ago are now radically altered, and we are facing a period with very difficult market conditions.

Due to these extraordinary circumstances, by way of introduction, I will give you a brief overview of the current situation for DFDS. It is well known that about 84% of DFDS' revenue comes from freight operations. All freight ferry routes and logistics solutions have carried on throughout the lockdown period; however, capacity has been adjusted to meet demand, which has been significantly reduced since mid-March. However, in line with our expectations, the level of activity has started to rise again in the past month.

DFDS is further affected by the on-going travel restrictions for individuals. This had led to us suspending the two major passenger routes, Copenhagen – Oslo and Amsterdam – Newcastle, from mid-March, and that remains the case at present. Although the Copenhagen-Oslo route is now scheduled to re-open 25 June. In addition, only passengers with a legitimate reason to travel can be carried on the English Channel and in the Baltic. This has also had a significant impact. We expect that from August we will be able to start sailing with passengers again on the other routes.

On the Board, we have closely followed the adaptation of DFDS' activities to the new market situation. This adaptation has been, and remains, both targeted and effective, based on the vast experience accumulated over the years throughout DFDS' European network. We have demonstrated to our freight customers that they can count on DFDS, even in difficult times. On behalf of the Board, I would like to once again send a big thank you to the management and staff for all your hard work during this demanding time. And I would also like to send a special greeting to more than 2,600 employees who are still laid off.

I will now move on to points 1 and 2 on the agenda, the report on the company's activities in the past year, 2019.

This was a year marked by four events of great significance to DFDS:

- Brexit continued to create uncertainty in some of our most important markets
- Turkey went into recession, and the Mediterranean network was expanded to accommodate a new major customer
- We launched an ambitious strategy that extends to 2023
- And DFDS' senior management was renewed.

Brexit has great importance because about half of our revenue is linked to the UK through both the ferry and logistics activities. We got off to a good start in 2019 when the then Brexit date of 31 March 2019 led to stockpiling in the UK in the first quarter of the year. Late in the first quarter, Brexit was postponed to October 2019 and as we know, it ended with Brexit on 31 January 2020.

This process created great uncertainty among consumers and companies, which led to trade volumes between the UK and the EU falling off from April and the rest of 2019. This resulted in lower freight volumes on our ferry routes to and from the UK, which can be read in the Channel and North Sea business areas. Our logistics activities delivering transport solutions to and from Britain were also adversely affected. In addition, the number of passengers on the English Channel decreased.

Negotiations on Brexit between the UK and the EU are currently being hampered by the Covid-19 crisis. The British target, stated upon their departure from the EU on 31 January 2020, was and continues to be to leave at the end of the year. First and foremost, a trade agreement between the UK and the EU must be concluded before the end of the year. Negotiations on this are ongoing but it is too early to say whether or not a deal will finally be in place. We are well ahead with our Brexit preparations, and can manage a transition with or without a trade agreement.

DFDS expanded significantly in the Mediterranean in June 2018 with the acquisition of UN RoRo, which was Turkey's largest operator of freight ferry routes between Turkey and Europe. This has now become DFDS' Mediterranean business unit, with a revenue of just over DKK 2 billion in 2019.

2019 was positively affected by the addition of a new major customer from the beginning of the year, but was negatively affected by the Turkish recession that was triggered by a sharp devaluation of the Turkish lira in August 2018. We reorganised and expanded the route network in 2019 to handle the new large customer more efficiently. In early 2020, things were going as expected with regard to trade volumes between Europe and Turkey, but Covid-19 has led to a drastic slowdown in volumes since March.

Torben Carlsen will talk more about Brexit and developments in the Mediterranean.

A third important event in 2019 was the launch in June of the strategy Win23, which sets the new strategic and financial aims up to 2023. The aim of Win23 is clear: to utilise our ferry route infrastructure and our logistics network to achieve a growth that surpasses the current moderate expectations for Europe's growth in the coming years.

However, the majority of the strategy 's four pillars will continue to guide DFDS. This applies not least to the ambition to deliver more solutions to the automotive industry, forestry and metal producers, and customers requiring refrigeration logistics. We are also working on more digital solutions for customers. In addition, we are still focused on optimisation and growth opportunities within our existing ferry and logistics network. The last pillar that should generate more value for and from passengers is also still important, and here is a special need for an udpated approach.

Despite the immediate focus on operations, opportunities within the strategic framework are also being explored. The aim and growth ambitions remain unchanged, but Covid-19's significant impact on market conditions means that our top priority right now is to adapt DFDS to these changes. Therefore, we are putting the strategy's financial ambitions on hold, until the market is more stable.

This brings me to the fourth event in 2019 that I want to highlight. Changes to the senior management.

Last year, I informed you of Torben Carlsen's appointment as CEO, as successor to Niels Smedegaard, who stepped down in April 2019 after 12 successful years as CEO of DFDS. The Board and myself are very happy to how Torben as expected has taken on the task and successfully lifted the big responsibility. 2019 – and especially 2020 – has served up significant challenges and Torben have with great calm – despite being very busy – proactively and without hesitation addressed these challenges with in an analytical and decisive manner without losing sight of the big picture. This has resulted in the considerable measures to adapt to the current situation. Certainly no easy task. Torben has shown great leadership towards both the organisation og the Board, and on behalf of the Board I would like to express our gratitude.

As a result, Karina Deacon was appointed as the new CFO and member of the executive management team in July 2019. Karina took up her post on 1 January 2020. I am also pleased to see how Karina very quickly has found her feet in her new role and how she with great skill and efficiency is taking on the task.

In addition, to match the competencies to the requirements of the new strategy, the group management team expanded from five to six members, with the addition of a Chief Technology Officer. Rune Keldsen took up this post in February 2020. New managers of Logistics Division and People were also appointed: Niklas Andersson, who comes from our own organisation, and Anne-Christine Ahrenkiel. Both took up their posts in 2019 as members of the group management team.

Further important management changes have been implemented in business and activity areas. Thus a number of layers within DFDS' senior management have been revitalised in a process where continuity has been balanced against new perspectives and skills. The Board also acquired further expertise in logistics, when Dirk Reich – who has a background in the global logistics company Kuhne & Nagel – was elected at an extraordinary general meeting as a replacement for Jørgen Jensen, who resigned at last year's AGM.

Performance in 2019

For the whole DFDS Group, the operating income before depreciation, EBITDA, rose by 1% to DKK 3.6 billion, while profit before tax was reduced by 16% to DKK 1.5 billion, both before special items. The result for 2019 was a little lower that expected at the beginning of the year, but as just stated, the headwind from Brexit and Turkey's recession was stronger than expected. I would like to point out that DFDS is not just expanding the network to the Mediterranean but also engaged in a large fleet renewal that in the coming many years will make the company more efficient and competitive. Right now this has a negative impact on the bottomline due to higher capital costs and on the balance sheet as the invested capital is increased.

Torben Carlsen will provide more information about the performance.

Capital structure and distribution

Now I will move on to capital structure and distribution, which, like the market conditions, have been significantly affected by Covid-19.

In the annual report for 2019 it was estimated that DFDS' financial leverage would be lower in the course of 2020. By financial leverage, I mean the ratio between the net interest-bearing debt and EBITDA. As a result of Covid-19, the opposite is now the case, as the decline in income, which is anticipated in 2020, will increase the leverage.

We have increased DFDS' liquidity resources and these now exceed DKK 2.4 billion. The loan terms, so-called covenants, on an individual loan have, in cooperation with our banks, been adapted to the new profit expectations.

Thus, DFDS' overall financial position remains strong. Torben Carlsen will also elaborate on the financial position.

Because of the development in our financial leverage, and low visibility in the global economy, the Board proposes to the AGM that no dividend be payable for the year 2019.

The distribution to shareholders takes place on the basis of DFDS' policy on capital structure and distribution. The long-term goal for the financial leverage, which, as mentioned, is measured as the ratio of net interest-bearing debt to EBITDA, remains between two and three. At the end of 2019, this ratio had increased to 3.3, due primarily to the acquisition of UN RoRo and the change in the regulations on leasing, IFRS 16. Right now, the leverage is expected to be somewhat higher by the end of 2020, including being higher than the long-term goal. This is why we agree within the Board that no dividend should be paid for 2019.

CSR

Corporate social responsibility, or sustainability, is gaining significance right now. This is driven not least by the clear climate challenges we are facing.

DFDS' CSR report for 2019 was published simultaneously with the annual report. Here you can find out about our CSR strategy and other topics related to sustainability, such as safety of employees and passengers, and diversity.

With regard to diversity I am pleased to report that the diversity is now increased in both the Board, the Executive Board and the Executive Management Team, not least due to a gender diversity of one third or more at all levels.

There is in general a growing interest in whether we are making progress on CSR and sustainability; what we measure, and how we measure it. We also find that shareholders and investors are becoming more active in relation to sustainability, by asking questions and by engaging in dialogue. We support this completely: we believe that transparency is a keyword in terms of being a responsible company. As a result, we have supplemented the CSR report this year with an overview of our so-called ESG key figures. ESG stands for Environmental, Social, Governance.

The transport sector shares responsibility for reducing fossil fuel use and actively participating in the development of new and green alternatives. Within DFDS, this responsibility is being given increasingly high priority, both in relation to day-to-day operations and longer-term initiatives. These include investing in new technologies and participating in partnerships or collaborations across industries and borders.

Outlook and closing remarks

Before I finish, I want to say a few words about the expectations for the rest of the year.

When we published the forecast for 2020 in early February, the outbreak of the Coronavirus was primarily linked to China. Since then, the virus has spread to Europe and the rest of the world.

On 18 March 2020, we suspended the profit forecast due to the extraordinary uncertainty Covid-19 was creating at that time.

Up until the release of our report for the first quarter on 7 May 2020, we were experiencing the impact of European lockdowns on our freight and passenger volumes. At the same time a number of scenarios were being considered. Based on this, we were ready to update the profit forecast for 2020 in connection with the release of the quarterly statement for the first quarter.

It is important to note in connection with the forecast, that due to the current, extraordinarily high uncertainty, the forecast and its assumptions may change significantly during the year. We do have a great desire and responsibility to inform the market, given the forecasts and visibility that are available to us, and we will of course continue to endeavour to do so.

The updated performance expectations has three main messages: EBITDA is likely to be reduced towards DKK 2 billion from DKK 3.6 billion in 2019. It is estimated that approximately 60% of the performance decrease will come from the passenger business which, as we know, is currently suspended due to Covid-19. The third message is that our freight business, which accounted for 84% of revenue in 2019, is relatively robust in the current situation.

There are many things going on in the world right now, but right now our top priority is to meet the updated forecast for 2020. Once our markets and operations have stabilised, we can look forward and work towards DFDS' long-term strategic goals.

In conclusion, I would like to say that I am pleased with the robustness that DFDS, the management and the entire organisation have demonstrated in meeting the many challenges and changes which 2019 presented. The same robustness, and more, that you have shown in tackling Covid-19.

I would like to thank all shareholders for your support and I thank the management and the entire organisation for your efforts in 2019 which, despite the challenging events, produced a strong result.

Finally, I would like to send a big thank you to our customers and partners for their cooperation in 2019.

I would now like to hand over to our CEO, Torben Carlsen.

Presentation by Torben Carlsen

Introduction

2019 was a year with more headwind than anticipated at the beginning of the year, as Brexit put a significant damper on both the freight and passenger volumes on our ferry routes between the UK and the rest of Europe. There were also headwind on our Mediterranean routes, as Turkey's economy was in recession in 2019.

As the Chair has said, I will elaborate on this development and also report on the other developments in our route and logistics network, as well as review the accounts for 2019.

I will start with the North Sea, where freight volumes were 5% lower in 2019, adjusted for the opening of a new route between Gothenburg and Zeebrugge in June 2019. This decrease was largely related to the uncertainty about Brexit. In the first quarter, however, volumes were boosted by stockpiling prior to the possible Brexit date in late March. The following three quarters led to uncertainty about the final outcome of Brexit, leading to a decline in trade between the UK and the rest of Europe, with some producers and consumers postponing purchase and investment decisions.

Prior to the possible Brexit date at the end of March 2019, a six-month agreement was reached with the UK Department of Transport to provide freight capacity, space in port terminals and transport of critical goods to the UK. This agreement partly mitigated the decline in freight volumes in Q2 and Q3.

On the English Channel, freight volumes and passenger numbers fell by 9% compared to 2018. The trading pattern was similar to the development in the North Sea, with an initial lift in Q1, followed by a decline in the following three quarters.

The decrease was particularly pronounced for the automotive industry, as car sales and manufacture of cars in Britain are falling. This means that fewer finished cars and parts for manufacture need to be transported. Other sectors have also been affected, including the construction industry, which often uses prefabricated elements produced in Continental Europe. Refrigerated goods such as medicines and food, is one of the sectors least affected, as after all, the British still need to have something to eat.

On the graph we can see the percentage change in the total trade volumes between Britain and the EU for British imports and exports. The blue line shows the change in our freight volumes on the Channel and the North Sea, and it is clear to see how these go together.

The uncertainty about Brexit led to reduced trading volumes in 2019, and in our original profit forecast for 2020 we had assumed at best flat volume development for the routes linked to Britain. Since mid-March 2020, Covid-19 has reduced trading volumes further, and this is incorporated into our updated forecast.

Developments in the Baltic area were steadier in 2019, and freight volumes increased on a comparable basis by 2%. Here too there was little headwind, as the low Swedish krona exchange rate weakened imports into Sweden and activity in Germany slowed somewhat. During the year, competition increased between Sweden and Lithuania, and this has continued in 2020. Passenger numbers rose by 9% in 2019, driven by positive contributions from all routes, especially between Germany and Lithuania.

In the Mediterranean, freight volumes increased by 98% in 2019, due to the full-year effect of the acquisition of UN RoRo, and a new customer agreement with a leading Turkish logistics company was concluded at the end of 2018. However, the volume growth was lower than expected at the beginning of the year when Turkey underwent an unexpectedly long recession in 2019, triggered by the extraordinary devaluation of the Turkish lira in early August 2018.

Although the profit growth in the Mediterranean in 2019 did not meet our expectations, we now have a strong market position and customer portfolio. At the beginning of 2020, we expected a clear improvement in profit in 2020, and this was indeed the case in the first two months of the year. However, from mid-March 2020, Covid-19 has significantly reduced the volumes.

The final business area in Ferry Division is Passenger, where the results were further reduced in 2019. The contribution margin from passengers, i.e. ticket sales and income from consumption on board, was as a whole slightly better than in 2018. In contrast, the costs of ship operations and sales, including IT and digital systems, were significantly higher. A major project was initiated to reverse the trend and in connection with the suspension of the two passenger routes, we are spending time analysing and adapting our business concepts to the new situation.

Now I will talk about the Logistics Division. This operates to a great extent in the same markets as our ferry routes, and is therefore also similarly exposed to Brexit. For Logistics, the major fluctuations in activity throughout the year, especially before and after the two possible exit dates at the end of March and October, made the positioning of transport equipment difficult and more expensive. In addition, the total volumes decreased compared to 2018.

This particularly affected the Nordic and Continent business areas, which are responsible for transport to and from the UK from the Nordic countries and Continental Europe respectively. Additionally, in 2019 we had much lower activity and earnings from specialised transport for the automotive industry, which had been exceptionally high in 2018.

Paradoxically, we made good progress in the UK & Ireland business area, as most of the activities are domestic logistics. Brexit was therefore of limited significance, and the results for most activities improved during the year.

As part of the review of the financial statements, I will elaborate on the development of results.

Win23 strategy

Before that, however, I want to give you an update on the Win23 strategy, which continues to guide DFDS in a number of key areas. As the Chair has stated, the strategy's financial ambitions are on standby until we reach a more stable situation when it will make sense to redefine these.

The Win23 strategy builds on four strategic pillars:

- Selling multiple solutions to selected industries
- Digitising services in order to increase growth
- Developing and expanding the ferry and logistics networks
- Creating added value for passengers.

The first pillar is DFDS' combination of ferry routes and logistics is ideal for servicing logistics requirements for three industrial sectors: automotive manufacturers, forest and metal, and customers requiring refrigeration logistics. We are therefore aiming to increase revenue significantly for these solutions which today make up over 20% of our total revenue.

The second pillar focuses on making it easy for customers to do business with DFDS as volumes increase, and to offer additional solutions that make life easier for the customer, ideally for payment, of course. For example, this may mean that a freight unit is ready for pick-up within an hour of arrival. Digitisation also allows us to make our own operations more efficient.

The third pillar is made up of several major initiatives: Firstly, we need to meet the original business plan for the Mediterranean. We must reap benefits from the deployment of our new large mega-ferries. We will continue to work on improvement and efficiency projects. The final element of this pillar is expansion through company acquisitions. These may partly accelerate our growth in the three sectors of industry that we are targeting, and also extend our network so we can offer our customers even more options overall. As a result of the financial consequences of Covid-19, growth through acquisitions is not our first priority at present.

The fourth and final pillar aims to improve income from our passenger operations. This area is most affected by Covid-19, and we are now using the suspension of passenger activities to prepare an adaptation of the customer experience to the post Covid-19 world.

The Win23 strategy is thus active in many areas and, as mentioned, we will come back with updated financial targets when the time is right.

CSR

So as the Chair has mentioned, sustainability is an increasingly important part of our strategy and our approach to running a business. As part of the transport sector, DFDS has a significant environmental footprint with an annual consumption of about 700,000 tonnes of bunker fuel. On the other hand, this means that we have a great potential to make a positive difference by lowering the environmental impact. In that connection, I can report that we have almost completed our investment in scrubbers to reduce the emission of sulphur. We have also invested in land-power facilities on both ferries on the Copenhagen-Oslo route and now await the completion of the land facilities in Copenhagen

Let me highlight two important goals that we have set: For greenhouse gas emissions, our goal is to meet at least the 40% reduction by 2030 of the UN's International Maritime Organization. In addition, we are working closely with other companies within and beyond our sector to achieve zero-emissions solutions for ferry services. The latest example of such a project is our participation in a groundbreaking Danish project together with amongst others Ørsted, Maersk, Copenhagen Airports and DSV Panalpina. The goal is to develop a production facility for green hydrogen based fuel that can be used on our ships, by trucks, in the airport and other transport companies.

Being a sustainable business is also about diversity, which includes many elements. One of the fundamental elements is gender, and for gender distribution our goal is a minority representation of 30% by 2023.

Priorities 2020

Covid-19 has meant that our top priority in 2020 is how to deal with adaptation to the change in market conditions, including the steep drop in freight volumes and the suspension of passenger traffic. In addition, we are closely following developments in the UK in order to be ready for Brexit, with or without a trade agreement. Last but not least, it remains a priority to invest in solutions that reduce our environmental footprint, particularly from CO2 emissions.

I would now like to move on to the annual report and accounts for 2019 and the profit forecast for 2020.

On the screen we can see an excerpt from the company's consolidated income statement. At the AGM we are mostly concerned with the accounts for the parent company, namely DFDS A/S, but because a significant proportion of the activities are carried out by subsidiary companies, the starting point for this presentation will, as in previous years, be the consolidated accounts.

I would also like to point out that, as in the management report in the annual report and accounts, the figures for both 2019 and 2018 are made up in accordance with IFRS 16, and thus are comparable. If anyone is wondering why the figures for 2018 are different in the actual income statement, it is because the new IFRS 16 rules came into force on 1 January 2019 and, according to the methodology chosen to implement the new rules within DFDS, the figures from before 2019 are not to be converted to the new rules.

Unfortunately this is a bit technical, but as a result the figures can be compared.

P/L

Revenue for 2019 was DKK 16.6 billion, which is divided into DKK 12.0 billion in the Ferry Division and DKK 5.3 billion in the Logistics Division. Eliminations of around DKK 700 million are deducted from this.

Compared to 2018, the Group's revenue increased by 6%, driven primarily by the full-year effect of the acquisition of UN RoRo, and the addition of a new major freight customer in the Mediterranean business area.

Revenue Ferry

Ferry Division's revenue increased by 8%, and, as Mediterranean is part of this division, this is the main explanation for the growth in revenue.

On the screen we see the distribution of revenue in 2019 within the division's five business areas, where North Sea is the biggest. Here revenue was DKK 3.8 billion, which was 1% higher than in 2018 as the adverse effect from Brexit was more than offset by the opening of a new route between Gothenburg and Zeebrugge in June 2019. The contract with the UK Department for Transport came in addition to this. The second largest revenue comes from Channel, where revenue fell by 4% to DKK 2.7 billion, due to the negative impact of Brexit on both freight and passengers.

Baltic Sea's revenue of DKK 1.5 billion was in line with 2018 after adjusting for the closure of a route to Russia, run as a space charter agreement with a third party operator. Passenger revenue decreased by 1% to DKK 1.7 billion, primarily as a result of 7% fewer departures on the Amsterdam – Newcastle route, as one of the two ferries on the route was on loan to the Baltic Sea for a month in Q1 2019.

So there was significantly more growth in the Mediterranean, where revenue rose by 94% to DKK 2.2 billion, due to the afore-mentioned full-year effect and new customers.

Revenue Logistics

Now let us turn to the Logistics Division, where the revenue in 2019 was at the level of 2018.

Here we see the revenue for 2019 distributed across the three business areas, with Continent still the largest area with DKK 2.4 billion in revenue, followed by DKK 1.7 billion in Nordic, and DKK 1.4 billion in UK & Ireland.

There was a decrease in Nordic of 6%, largely as a result of the negative impact of Brexit and reduced activity for specialised transport for the automotive industry. Continent's revenue was 3% lower, which in turn is attributable to Brexit. In the UK and Ireland, the trend was more positive as revenue increased by 17%, partly driven by a new, large refrigeration logistics agreement, and increasing the storage and distribution activities for fish producers in Scotland.

P/L

Returning to the consolidated income statement, the operating profit before depreciation (EBITDA) and special items rose by 1% to DKK 3,633 million, due to success in both divisions.

Depreciation and write-downs rose by 16% to DKK 1,894 million and the operating profit after depreciation – EBIT – and before special items – at DKK 1,751 million – was therefore 11% lower. The increase in depreciation was partly driven by the expansion of the network in the Mediterranean, including the deployment of three additional ships and commissioning of a new port terminal. In addition, two vessels were chartered to handle increased volumes in Norway, which also increased the depreciation under the new IFRS 16 rules.

EBIT Ferry

Ferry Division's EBIT before special items of DKK 1.7 billion is a decrease of 9%, and is shown by business area on the graph. The North Sea declined by 3%, which was primarily related to Brexit. A large part of the effect of this was, however, offset by the capacity contract with the UK Department for Transport. There was a 5% decline in Baltic Sea, which was largely due to extra ship costs in the first quarter which arose partly as a result of repairs caused by an accident in 2018, as well as the deployment of replacement ships. Channel was also hit by Brexit, but here we did not have a capacity contract to mitigate the effect, so profits fell by 32%.

Mediterranean's profit rose by 27%, which was, as mentioned, less than expected. This was partly as a result of Turkey's recession, and partly due to the cost of a very rapid expansion of the route network in early 2019 to handle extra volumes from the new customer contract. Costs were incurred in connection with the installation of scrubbers in the second half of the year, and a change in the allocation of maintenance costs for ships so that these are consistent with the principles applied to the rest of DFDS.

EBIT Logistics

Now we come to Logistics Division, where the EBIT fell by 16% to DKK 173 million before special items, and this is also shown by business area on the graph.

Nordic's EBIT was 42% lower. This is due to the fact that on the one hand in 2018 there was extraordinarily high activity relating to special solutions for the automotive industry, and on the other hand there was a negative effect from Brexit in 2019. Continent's EBIT was 25% lower which is primarily due to Brexit, including a lower margin due to the large fluctuations in activity levels. On the other hand, UK and Ireland 's profit rose by 44% due to growth in the majority of activities and a positive effect from the addition of a new large refrigeration logistics contract from the beginning of the year.

P/L

Now we come back to the consolidated income statement where the special items amounted to a net cost of DKK 101 million. The largest item was a cost of DKK 82 million related to Mediterranean, including one-off costs for the start-up of a new port terminal in Istanbul, and the termination of a port agreement in Toulon in connection with the transfer of all calls from Toulon to Sète.

The last major item in the consolidated income statement is the financial items, which comprised a net cost of DKK 278 million, which was DKK 57 million more than in 2018. The Increase was due to the full-year effect of the acquisition of UN RoRo and funding of investments in newbuildings, inter alia, in 2019.

Hence the profit for the year before tax is DKK 1,371 million, which was 19% lower than 2018. Tax on profit for the year was DKK 59 million, and net profit after tax was thus DKK 1,313 million, a decrease of 20%.

ROIC and balance

Now I will turn to the balance sheet and the return on invested capital, ROIC, which was 8% in 2019 before special items, which is comparable with the 12% in 2018. There was thus a significant decrease in business in 2019, which is primarily attributable to the whole-year effect of the acquisition of UN RoRo and Brexit. If we calculate the return exclusive of Mediterranean, this was 12%, and thus somewhat higher than our minimum requirement for a return of 8%.

Invested capital amounted to DKK 22.5 billion at the end of 2019, against DKK 20.5 billion at the end of 2018, a 10% increase. It was driven by fleet investments, higher working capital and two company acquisitions at the end of the year. When we look at the average invested capital, it rose by 32% as the whole-year effect of the acquisition of UN RoRo is reflected in the calculation.

The total interest-bearing debt amounted to DKK 12.8 billion at the end of 2019. This includes DKK 2.8 billion as a result of the new rules on capitalisation of lease obligations. After deduction of interest-bearing assets, the net interest-bearing debt was DKK 12.0 billion. Thus at the end of 2019, DFDS' financial leverage had increased to 3.3, measured as the ratio between net-interest-bearing debt and EBITDA before special items.

DFDS' equity amounted to DKK 10,356 million at the end of 2019 which was DKK 1.3 billion more than in 2018. The increase was a combination of the so-called total income that is transferred to equity, of DKK 1.5 billion, plus transactions with owners, a debit of DKK 201 million. The latter includes dividends for the financial year 2018 totalling DKK 232 million. Equity was 39% at the end of 2019.

This was the report on the accounts.

Share

Now I will turn to the DFDS share, which rose by 24% in 2019 to DKK 325. The year began with an increase, but as the uncertainty about Brexit rose, the share price began to fall. It reached a low of DKK 215 in August after a downward revision of the year's profit forecast. From then on, the share price rose to the end of the year, supported by gradual, further clarification on Brexit and a growing belief in an upturn in 2020.

The dividend was 1.5%, and together with a rise of 24%, the overall return was 25.5% in 2019. By way of comparison, the Danish share market index rose by 26% in 2018.

Forecast

I will end with the profit forecast for 2020, which, as mentioned by the Chair, was updated on 7 May 2020.

It is important to mention in connection with the forecast, that due to the current, extraordinarily high uncertainty, the forecast and its assumptions may change significantly during the year.

EBITDA before special items for 2020 is likely to be reduced towards DKK 2 billion. This expectation, which is subject to considerably greater uncertainty than usual, is based on a number of assumptions, of which important factors are the development in freight volumes and the impact of travel restrictions on the operation of passenger routes and the number of passengers.

There has been a significant negative impact on freight volumes during the two lockdown months of April and May. From June a gradual improvement is expected up until the end of 2020. Volume growth is expected to remain negative during this period, and for the whole of 2020 freight volumes on our ferry routes are expected to be about 15% lower than in 2019. A similar development is expected in the logistics volumes.

The two suspended passenger routes are expected to resume regular service in August, with a slow, gradual expansion of capacity. The Copenhagen-Oslo route is scheduled to re-open on 25 June in the wake of the opening of the border between Norway and Denmark from 15 June. The number of passengers on the Channel is also expected to rise slowly from August.

The current suspension of passenger activities has a significant financial impact that could account for up to around 60% of the potential fall in EBITDA in 2020 compared to 2019.

Total investments are expected to amount to about DKK 1.6 billion, instead of the previous DKK 2.3 billion, as a number of investments have been deferred or cancelled.

Let me stress again that uncertainty is extraordinarily high, and therefore the forecast and its conditions may change significantly during the year.

2019 was an eventful year, for me personally as well, and I thank you for your confidence in my appointment as CEO. In 2019 we demonstrated that DFDS is robust and can handle adversity. I am pleased to add that the same is true so far in 2020. It is a resilience that is based on our talented experienced and loyal employees: thank you for all your hard work and support. I would also like to thank our shareholders and investors who follow us closely and help keep us on our toes. Hopefully Covid-19 will fade away over the coming months and Brexit will be in place by the end of the year. Then we will be able to start looking forward again in earnest.

Chair closing remarks

Thank you to everybody that have followed the AGM on the net. As Europe's economies and borders open in the coming months, we expect more people will start to travel and more goods will need to be transported. This should create more activity for DFDS. 2020 will nevertheless be a very difficult year but I hope our reports today have made it clear, that we are well equipped to meet the future, both in the short and long term.

It only remains for me to say thank you for taking part in this AGM today, and thank you for 2019.

In case of discrepancies between the UK and Danish versions of this document, the Danish version shall prevail.